



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 9

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Memorandum

TO: Advisory Council

DATE: May 6, 2009

FR: Jennifer Yeamans

RE: Bay Area Housing and Transportation Affordability Analysis

Background

During development of the Transportation 2035 Plan, MTC's Planning Committee approved a performance objective for the Plan's Equity goal to reduce the combined cost of housing and transportation as a share of household income by 10 percent from today's level for low- and moderately low-income households (those making less than \$75,000 per year, or the region's approximate median income). Subsequent technical analysis of the draft Plan revealed the Project had little impact on housing and transportation affordability in the year 2035 relative to the No Project scenario. However, the alternative Pricing and Land Use scenarios did impact affordability, mainly by affecting the costs of driving. These analyses also suggested housing and transportation affordability varied considerably throughout the region, as housing costs, transportation costs, and household income levels all differ by location.

Bay Area Housing and Transportation Affordability Analysis

Given the complex and localized nature of affordability issues, MTC has been working with the Center for Neighborhood Technology (CNT), an independent research center, on a detailed, neighborhood-level assessment of housing and transportation affordability in the region. CNT developed the housing and transportation affordability (H+T) index as the share of household income that is spent on housing and transportation costs, which CNT recommends consume no more than 48% of the household budget combined. To produce the index, CNT has also developed a method of estimating household transportation costs by location based on physical neighborhood characteristics as well as household and travel characteristics.

Objectives of this analysis are:

- Better understand locational differences in relative housing and transportation costs and affordability by neighborhood and income level within the region, the factors underlying these differences, and the trade-offs households make between the two in choosing where to locate.
- Frame the development of key strategies for MTC and other regional agencies to help preserve and improve affordability in the region.

Analysis Findings and Next Steps

A PowerPoint presentation summarizing CNT's analysis is attached. I will be at your May 13 meeting to present the analysis and findings, answer your questions, and get your input on the work done so far.